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January 16, 2006

OF COUNSEL
WILLIAM G. CONLY

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Cotton Valley Formation, Reservoir A, and Hosston A
and B Zones, SIBLEY FIELD, Webster Parish,
Louisiana.

Dear Sir:

NELSON ENERGY, INC. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Cotton Valley Formation, Reservoir A, and to the Hosston A and B Zones, all in the Sibley Field, Webster Parish, Louisiana:

1. To authorize Applicant to designate and utilize its Hawk No. 2 Well, located as shown on an attached plat, as the substitute unit well for CV RA SUE, in exception to the spacing provisions of Office of Conservation Order No. 148-K, effective August 19, 1997, and in lieu of the location approved for this well by Office of Conservation Order No. 148-K-13, effective October 11, 2005.
2. To authorize Applicant to designate and utilize its Hawk No. 2 Well, located as shown on attached plats, as an alternate unit well for HOSS A SUCC and HOSS B SUCC, in exception to the spacing provisions of Office of Conservation Order No. 148-J, effective February 1, 1972.
3. To find that designation and use of the Hawk No. 2 Well as a substitute unit well for CV RA SUE, and as an alternate unit well for HOSS A SUCC and HOSS B SUCC, is necessary to efficiently and economically drain a portion of the Cotton Valley Formation, Reservoir A, and the Hosston A and B Zones, underlying these units which cannot be efficiently and economically drained by any existing well within such units.
4. To discuss such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Cotton Valley Formation, Reservoir A, in Sibley Field, Webster Parish, Louisiana, was defined in Office of Conservation Order No. 148-K, effective August 19, 1997.

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The Hosston A and B Zones in Sibley Field, Webster Parish, Louisiana, were defined in Office of Conservation Order No. 148-J, effective February 1, 1972.

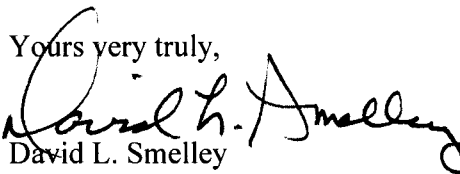
Any pertinent data concerning this application will be available for inspection at the offices of Mr. Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person desiring to inspect any such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of each of the attached plats, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing, and the enclosed plats, at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Sibley Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose a check payable to the Commissioner of Conservation for the application fee.

Yours very truly,

David L. Smelley
-- Attorney for Nelson Energy, Inc.

DLS:dp

Enclosures

cc: Mr. Jim Broussard (w/encl.)
Mr. Danny Moreland (w/encl.)
Mr. Joe B. Adams (w/encl.)
Interested Owners, Represented
Parties and Interested Parties (w/plats only)

dls/app/sibley59.application.wpd

T 18 N - R 9 W

15

● APPROVED
BH LOCATION
NOT TO BE USED
ORDER No. 148-K-13
2240' FNL, 1950 FWL SECTION
400 FSL, 690 FEL UNIT

CV RA SU E

CV RA SU H

13

CV RA SU D

22

CV RA SU C

27

CV RA SU A

CV RA SUB

LEGEND



EXISTING UNIT BOUNDARIES



EXISTING CV RA
UNIT WELLS



EXISTING CV RA
ALTERNATE UNIT WELLS



PROPOSED CV RA SU E
SUBSTITUTE UNIT WELL

WELLS 7000' OR SHALLOWER ARE REMOVED FROM MAP

NELSON ENERGY, INC.
SHREVEPORT, LOUISIANA

SIBLEY FIELD
WEBSTER PARISH, LOUISIANA
PROPOSED
SUBSTITUTE UNIT WELL
CV RA SU E

WITNESS: JOE B. ADAMS
DATE:



T 18 N - R 9 W

HOSS A SU DD

HOSS A SU CC

15

13

HOSS A SU BB

22

HOSS A SU N

27

HOSS A SU O

HOSS A SU Q

HOSS A SU P

LEGEND



EXISTING UNIT BOUNDARIES



EXISTING HOSS A
UNIT WELLS



EXISTING HOSS A
ALTERNATE UNIT WELLS



PROPOSED HOSS A SU CC
ALTERNATE UNIT WELL

WELLS 7000' OR SHALLOWER ARE REMOVED FROM MAP

NELSON ENERGY, INC.
SHREVEPORT, LOUISIANA

SIBLEY FIELD
WEBSTER PARISH, LOUISIANA
**PROPOSED
ALTERNATE UNIT WELL
HOSS A SU CC**

WITNESS: JOE B. ADAMS
DATE: _____

0 2000' 4000' 1 Mile

T 18 N - R 9 W

HOSS B SU DD

HOSS B SU CC

15

13

HOSS B SU BB

22

HOSS B SU N

27

HOSS B SU O

HOSS B SU Q

HOSS B SU P

LEGEND



EXISTING UNIT BOUNDARIES



EXISTING HOSS B
UNIT WELLS



EXISTING HOSS B
ALTERNATE UNIT WELLS



PROPOSED HOSS B SU CC
ALTERNATE UNIT WELL

WELLS 7000' OR SHALLOWER ARE REMOVED FROM MAP

NELSON ENERGY, INC.
SHREVEPORT, LOUISIANA

SIBLEY FIELD WEBSTER PARISH, LOUISIANA PROPOSED ALTERNATE UNIT WELL HOSS B SU CC

WITNESS: JOE B. ADAMS
DATE: _____

0 2000' 4000' 1 Mile